

# Planning to Meet Future Transmission Needs

Network Open Season



## Current Situation: BPA Transmission Network

- BPA's challenge is to meet planning, expansion and reliability obligations to public or Network Integration (NT) customers while also making transmission capacity available on a commercial basis to other companies making Point-to-Point (PTP) requests in the transmission queue.
  - BPA's obligation to NT customers is the nucleus of our transmission planning and expansion activities in accounting for regional load growth.
- Loads are growing in the Northwest.
- New resources are being developed and connected to the grid away from load centers.
  - Renewable portfolio standards driving wind development where the wind blows.
- Limits on hydro system capability.

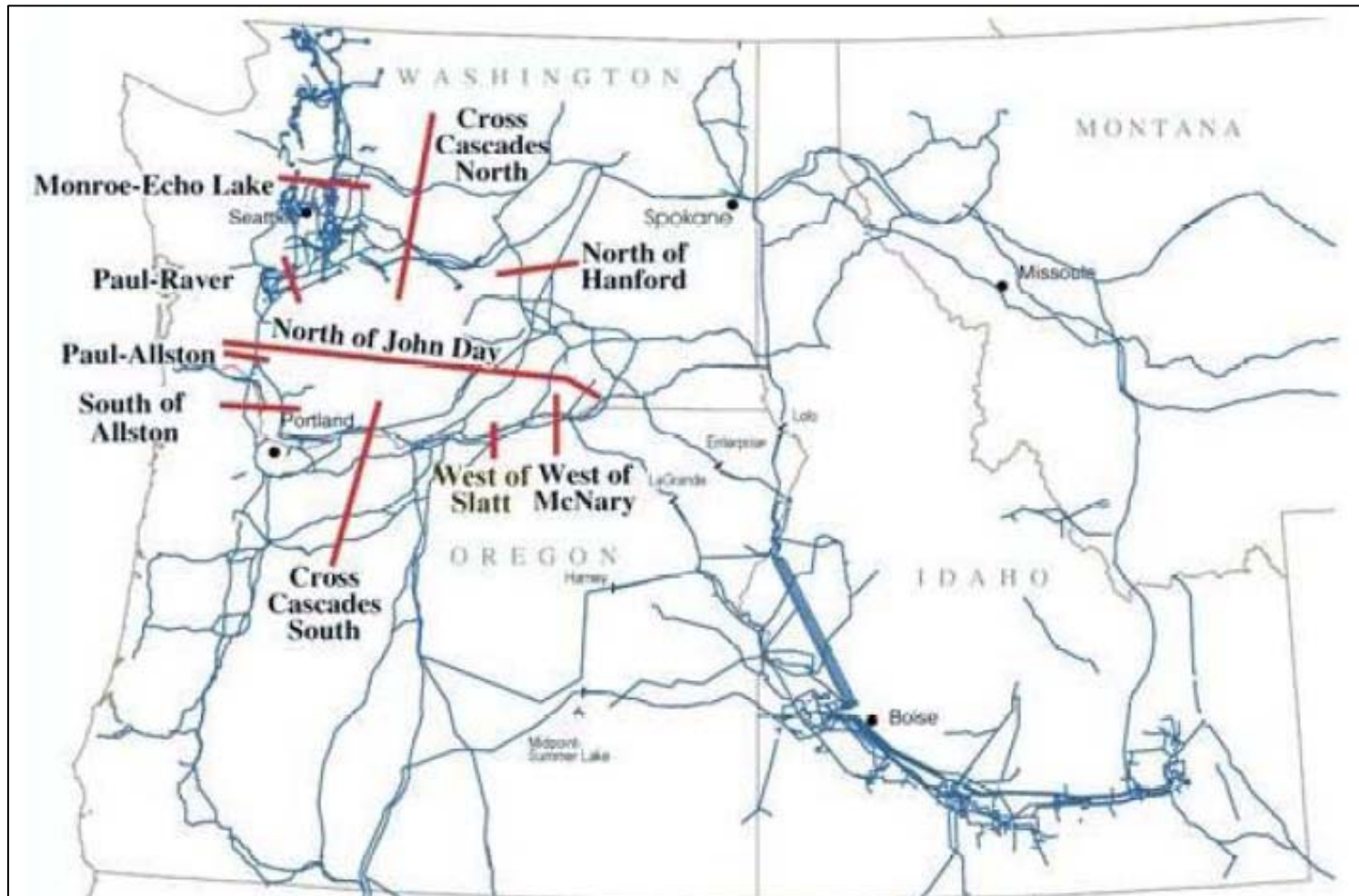


## Resource and Transmission Adequacy

- Transmission system needs to enable access and be reliable.
- New resources will require new transmission facilities.
- Running out of transmission capacity will limit resource choices and will have environmental and economic consequences.
- Additional infrastructure needs to be an intelligent investment for the region.



# BPA Flowgate Map



# Network Open Season Objectives

- In the absence of an Integrated Resource Plan for the region, Network Open Season (NOS) provides an opportunity to capture market dynamics (generation) with forecast load requirements to determine long-term infrastructure requirements.
  - NOS aligns new resource development with new transmission development.
  - Cluster studies, rather than individual studies of network transmission requests, will allow planners to design a more efficient transmission system.
  - NOS will enable planners to determine where system upgrades are needed most.
- NOS provides an effective management tool for the BPA Long-Term Transmission Service Queue.
  - NOS allows BPA to offer service to all customers in the transmission queue on a specified date. NOS would be held at least once each year.
  - Customers who decline service will be removed from the transmission queue but may submit new requests and participate in a subsequent NOS.



## BPA Commitments for Network Open Season

- Commit to provide long-term transmission service to customers that sign a precedent service agreement (PA).
  - Service can be provided at BPA's rolled in transmission rate.
  - BPA completes its obligation under National Environmental Policy Act (NEPA).
- Perform cluster study to identify new facility requirements and costs.
- Apply Transmission Commercial Infrastructure Finance Process to determine if facilities can be built at embedded rates (NLT 8 months from NOS close).
- Plan, finance and design facilities necessary to accept transmission service.
- Complete NEPA ROD (NLT 36 months from rate determination).
- Construct facilities.
- Conduct Network Open Season at least once each year.
- Offer conditional firm transmission service as soon as practicable in event BPA cannot meet the customers' requested start date.

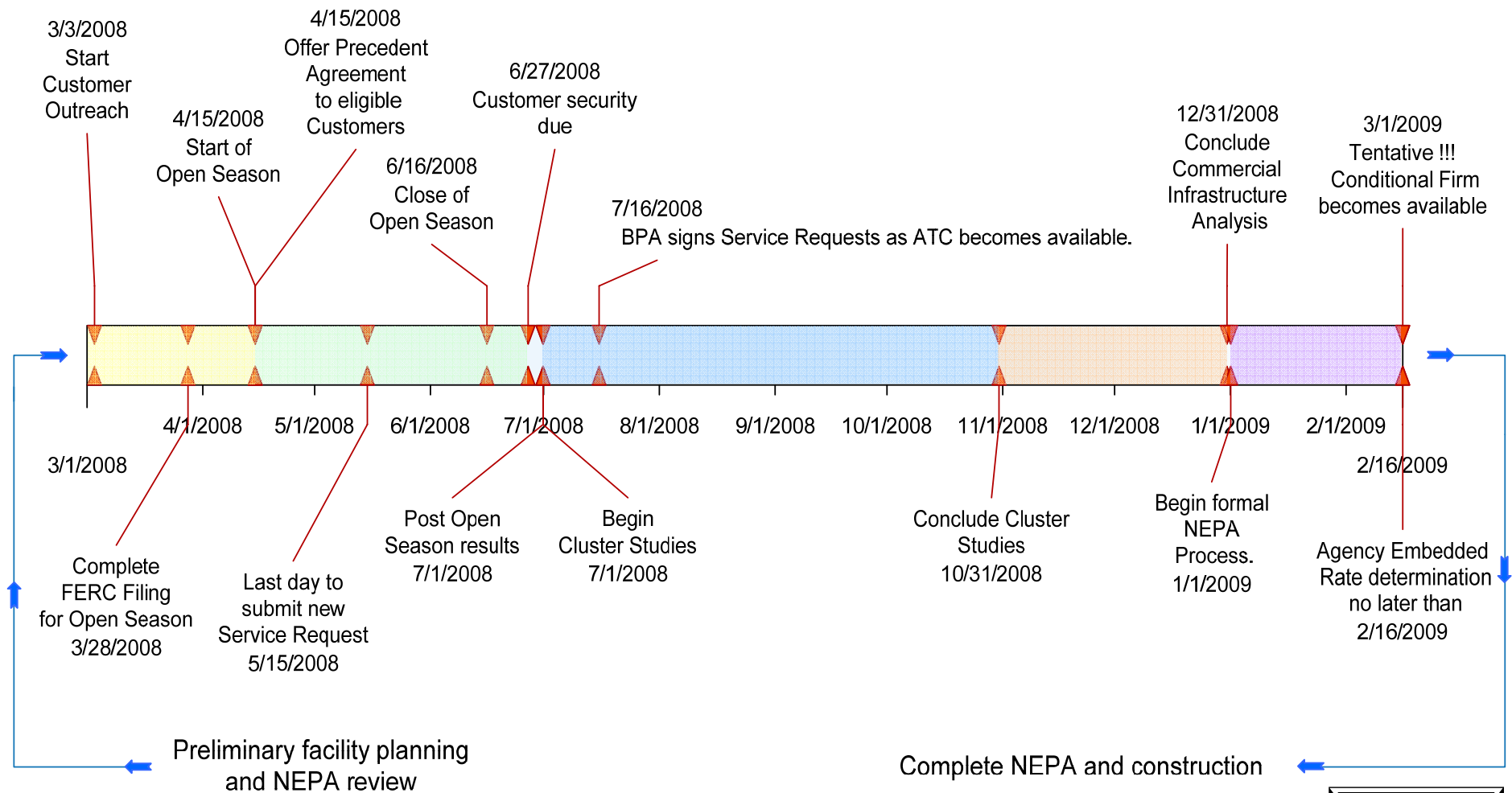


## Customer Commitments for Network Open Season

- Agree to take service consistent with their existing request, or withdraw request.
- Submit any new request as soon as possible, but no later than May 15, 2008.
- Sign the PA and return to BPA as soon as possible, but no later than June 16, 2008.
- Provide required security (NT customers only must attest to acquire resources they identify) as soon as possible, but not later than June 27, 2008.



# Network Open Season Timeline





## Success Criteria

- NOS will help define additional capacity that is needed to meet long-term transmission requests in the queue.
- Direct Available Transmission Capacity to customers ready to take service.
- Customers commit to purchase sufficient transmission so that BPA can proceed with infrastructure development.
- NT customers are able to secure transmission from BPA consistent with projected load growth.
- PTP customers are able to access long-term transmission service for commercial use.

